

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SCO NO. 220-221, SECTOR 34-A, CHANDIGARH**

**Petition No. 09 of 2018
Date of Order: 06.07.2018**

Present: Ms. Kusumjit Sidhu, Chairperson
Sh. S.S. Sarna, Member
Ms. Anjali Chandra, Member

In the matter of: Petition under Section 9, 61 (h) and (i) read with Section 86(1)(e), 86(4) of the Electricity Act, 2003, read with Clause 9 & 10 of the "Punjab State Electricity Regulatory Commission (Harnessing of Captive Power Generation) Regulations, 2009" for their amendment/clarification so as to make adequate provisions for levying reasonable fixed charges in respect of load/demand fed from T.G./C.P.P./Co-Generation installed by various Industries as per Govt. Policies issued from time to time keeping in view shift in Punjab from Single Part Tariff to Two Part Tariff in the Tariff Order dated 23.10.2017.

AND

During the pendency of present Petition, applicability of "Two Part Tariff" be deferred till finalization of the amended Regulations in respect of Class of Industrial Consumers having installed T.G./C.P.P./Co-Generation with due permission from Distribution Licensee/Chief Electrical Inspector. In the meanwhile, till the present petition is decided, only energy charges as fixed by the Commission in Tariff Orders issued hereinafter, including deferred applicability of Tariff Order dated 23.10.2017 may be ordered.

AND

In the matter of: 1.Nahar Industrial Enterprises Limited, Focal point, Ludhiana through authorized signatory Sh. H. N. Singhal.
2.KRBL Limited, 5190, Lahori Gate Delhi-

110006

3. Satia Industries Ltd, Village Rupana, Muktsar-Malout Road, Muktsar, Punjab
4. Khanna Paper Mills Ltd., B-26, Infocity-1, Sector-34, Gurgaon-122002, Haryana
5. JCT Limited, Village and Post Office Chohal, Hoshiarpur. Pin- 146024; with one unit at Hoshiarpur and the second one at Phagwara Distt. Kapurthala
6. Trident Limited, Raikot Road, Sanghera, for both units, other at Dhaula Distt. Barnala.
7. Shreyans Industries Ltd. Unit Shreyans Paper, Ahmedgarh, Distt. Sangrur and also Unit Shree Rishabh Papers at Banah, Distt. SBS Nagar through its authorized signatory Shri. R.K. Mahajan.

....Petitioners

Versus

1. Punjab State Power Corporation Limited (PSPCL), thorough its Chairman cum Managing Director.
2. State of Punjab through Secretary Power, Civil Secretariat, Chandigarh.

....Respondents

For Petitioner: Sh. Puneet Jindal, Senior, Advocate with
Sh. Amandeep Singh, Advocate
Sh. Gurmeet Singh

For PSPCL: Sh. Iqbal Singh, CE/ARR&TR
Sh. V.P.S Kailay, ASE/TR-5

For Govt.: None
of Punjab

ORDER

The present petition has been filed praying firstly for amendment of PSERC (Harnessing of Captive Power Generation)

Regulations, 2009, so as to make provisions for levying reasonable fixed charges in respect of load/demand fed from T.G./C.P.P./Co-Generation installed by various Industries, in view of the shift from Single Part Tariff to Two Part Tariff in the Tariff Order dated 23.10.2017, and secondly for charging of only energy charges as fixed by the Commission in Tariff Order hereinafter, including deferred applicability of Tariff Order dated 23.10.2017, till the finalization of the amended Regulations.

During the hearing, the petition was admitted qua the first prayer. The Commission notes that the issue of CPPs/Co-Gen Plants has been already deliberated by the Commission under Para 4.4.2 of the Tariff Order for FY 2018-19 issued on 19.04.2018 as under:

*“**CPPs/Co-Gen Plants:** Various CPP/Co-Gen consumers in their objections/ suggestions furnished to the Commission in reference to PSPCL’s ARR Petition for FY 2018-19, has submitted that these plants have been setup under the policies of MoP/MNRE/GoP and provided relief to then PSEB (Now PSPCL) when it was under severe shortage of power. CPPs/ Co-Gen. Plants uses PSPCL supply only as standby supply, with such heavy liability of Fixed Charges they would not be able to compete in the market and requested to allow them to maintain CD as per the requirement on payment of nominal commitment charges. It was also suggested that either the existing single part tariff be continued for them or else the Regulations applicable for such CPPs in Maharashtra and Madhya Pradesh be implemented in Punjab. A petition to this effect has been also filed by the consumers before the Commission. Some of the CPP/Co-Gen consumers in their representations have suggested charging of fixed charges on 50% (instead of 80%) of their Sanctioned Contract Demand or actual, whichever is higher.*”

In the discussions held with PSPCL Management on 22.02.2018 during the presentation regarding objections received against PSPCL Petition for ARR of FY 2018-19, PSPCL was also of the opinion that some relief can be given to CPPs/Co-Gen Plants.

The amendments in PSERC (Harnessing of Captive Power Generation) Regulations, 2009 are already under the consideration of the Commission. Therefore, till the finalization of amendment in the relevant Regulations, the Commission decides to levy the Fixed Charges for consumers having CPPs/Co-Gen Plants on 50% of the Sanctioned Contract Demand or actual Demand recorded during the billing cycle/month (restricted to the Sanctioned Contract Demand), whichever is higher. In case, consumer exceeds his Sanctioned Contract Demand during a billing cycle/month, he shall be liable to pay demand surcharge as specified in the respective Schedule of Tariff.”

Further, vide Commission's letter dated 22.05.2018, PSPCL has been directed as under:

“In view of implementation of Two Part Tariff in the State, the Commission desires to take a relook of the subject cited Regulations. Accordingly, it is desired that PSPCL should submit its detailed proposal in respect of startup power and standby support to the captive power plants or any other issue relating to said Regulations”

The amendments in PSERC (Harnessing of Captive Power Generation) Regulations, 2009 are already under the active consideration of the Commission and the Staff Paper regarding the same is likely to be put in the public domain shortly, to invite suggestions and objections from the stakeholders. The petitioners are free to file objections/suggestions on the same.

As far as the second prayer for charging of only energy

charges as fixed by the Commission in the Tariff Order dated 23.10.2017 including deferred applicability of the Tariff Order till the disposal of the present petition is concerned, the Commission observes that it is the same prayer as made earlier in the Review Petition No. 06 of 2017 for review of Tariff Order for FY 2017-18 issued on 23.10.2017 which already stands dismissed vide Commission's Order dated 22.02.2018. However, the Commission observes that Tariff Order for FY 2017-18 was applicable upto 31.03.2018 only. In the Tariff Order for FY 2018-19 issued on 19.04.2018, the Commission has granted relief to the consumers having CPPs/Co-Gen Plants w.e.f. 01.04.2018 wherein under para 4.4.2, it has been decided to levy the Fixed Charges for such consumers at 50% (in place of the provision of 80% in the Tariff Order for FY 2017-18) of the Sanctioned Contract Demand or actual Demand recorded during the billing cycle/month (restricted to the Sanctioned Contract Demand), whichever is higher.

The Petition is disposed of accordingly.

-Sd/-

(Anjuli Chandra)
Member

-Sd/-

(S.S. Sarna)
Member

-Sd/-

(Kusumjit Sidhu)
Chairperson

Chandigarh
Dated: 06.07.2018